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The President's Daily Brief

13 July 1972

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

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In South Vietnam, there is heavy fighting in the Quang Tri sector and in the Mekong Delta. [redacted] *(Page 1)* 25X1 25X1

There are fresh reports of unrest in Egypt. *(Page 2)*

Cuba's full membership in CEMA is probably viewed by Castro as a mixed blessing. *(Page 3)*

Soviet shipments of guided missile patrol boats to Iraq will be seen in Tehran as a threat to Iran's position in the Persian Gulf. *(Page 4)*

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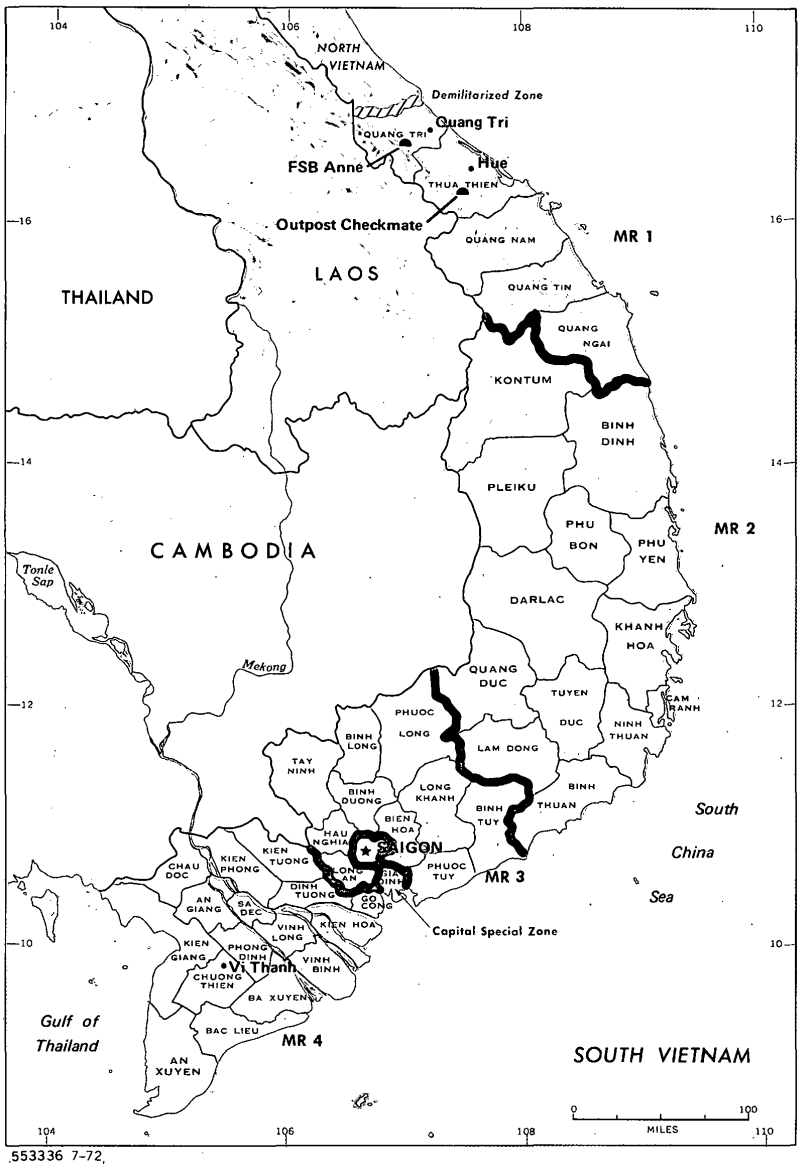

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VIETNAM

South Vietnamese Marines are attempting to set up new positions north of Quang Tri City, and other units on the eastern flank are consolidating their positions. South of the provincial capital, airborne units are meeting strong enemy resistance near Fire Base Anne. Heavy enemy ground and artillery attacks have been reported throughout the Quang Tri sector.

An intercept from a Communist command element in the area ordered troops inside the town to hold the citadel--the main defensive position--at all costs. The sender promised adequate artillery and infantry support. Recalling the battle for Hue during Tet 1968, however, the originator admitted that the four-battalion force defending the citadel was not sufficient to hold the position for long.

Southwest of Hue, moderately heavy fighting also is taking place, but government troops are reported to have recaptured outpost Checkmate--overlooking the western approach to Hue--which was lost to the Communists last week. This is the fourth time in the last two weeks that this strategic position has changed hands.

In the delta, in a battle less than five miles from the provincial capital of Vi Thanh in Chuong Thien Province, an enemy force inflicted heavy losses on South Vietnamese Army regulars. To the north, the continuing buildup of enemy units in Dinh Tuong Province has caused a South Vietnamese regiment to return from a cross-border operation in Cambodia. South Vietnamese relief forces, including regular army, rangers, and territorial units, are planning counterthrusts to blunt the enemy's increased activity.

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EGYPT

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Press reports from Beirut say there is dissatisfaction in the Egyptian Air Force; they cite a recent incident in which two pilots disobeyed orders not to interfere with Israeli violations of Egyptian airspace. A French paper has claimed that three senior Egyptian Foreign Ministry officials have been arrested on charges of plotting to overthrow Sadat.

The Egyptian Government yesterday announced that a number of cases of espionage will soon be revealed, but it has generally countered reports of unrest by portraying them as Israeli psychological warfare.

In fact, some measure of unrest almost certainly is accompanying the lack of progress toward solving the problem of Israeli occupation of Arab lands. This is the first summer since 1967 that the Egyptians have had neither active hostilities nor peace-seeking discussions to offer some prospect for change. All this may well be generating the kinds of reactions alleged in the various reports of unrest. At the same time, however, those who oppose Sadat no doubt realize the intractability of the problem, which may inhibit them from taking any action to depose him.

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USSR-CUBA

Admission of Cuba to full membership in the Soviet-led Council for Mutual Economic Assistance (CEMA) should result in closer Soviet-Cuban economic coordination. Cuba's entry seems to have been arranged during Fidel Castro's recent visit and is the first known concrete result of the trip. Since Castro's return a week ago, Havana has not commented on the journey. While Castro may have no strong objections to membership in CEMA he will expect Moscow to try to use it to push Soviet economic development concepts that Cuba has often resisted. Nevertheless he may see full Cuban membership as helpful in the long run, particularly as a source of additional funds and banking services.

The Soviet media, in contrast with the Cuban, have praised the results of Castro's visit. The Soviets probably view Cuban membership as providing one more channel to press for closer Cuban economic coordination with Moscow and its allies, as well as for more rational economic development in Cuba.

Cuba is the second non-European member of CEMA, the other being Mongolia. Yugoslavia, North Korea, and North Vietnam have attended meetings as observers. The Soviets have attempted to persuade Pyongyang and Hanoi to become full members.

CEMA's purpose is to rationalize trade and coordinate economic planning and standards among member countries. It has frequently operated ineffectively since its founding in 1949, partially because Moscow's East European allies have resisted its use as a tool for Soviet economic domination. Last year, however, they agreed to a comprehensive long-range economic integration program, and an International Investment Bank to finance long-term projects in member countries began to function.

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IRAQ-USSR

A Soviet freighter with one Osa-class guided missile patrol boat on deck was observed entering an Iraqi port last week. Two other Soviet freighters, each carrying an Osa, are en route to the Indian Ocean.

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These patrol boats, presumably purchased under the $236-million Soviet-Iraqi arms accord of last October, will be Iraq's first ones to be armed with surface-to-surface missiles. The Shah of Iran will view them as a threat to his country's position in the Persian Gulf. Iran is scheduled to receive two British frigates equipped with the shorter range Seakiller missiles this month and two more later this year. Tehran also plans to equip its ten British hovercraft boats with Seakillers, but now presumably will press for additional modern naval weapons.

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NOTES

China: Our investigations do not support recent allegations that China is illicitly exporting opium. In fact, despite a world shortage of raw opium for licit pharmaceutical purposes, the Chinese--who no doubt produce a small quantity for their own medical uses--have refused recent requests to export any opium to Western drug firms searching for new sources of supply.

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